

M 0410012
cc: Lynn

FORM ML-AR
(Revised 11/2008)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

LARGE MINING OPERATIONS 2008 PROGRESS REPORT
January 1, 2008 to December 31, 2008

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program.

1. Mine Permit Number: M 041012
2. Mine Name: Redmond Bentonite Mines
3. Name of Operator/Permittee: Western Clay Co.
Note: If Operator's address, company representative or phone number have changed, please provide a replacement page for the Notice of Intention.
4. Mine Location: North of Redmond Ut. on Sharp Lane
5. Report the gross amount of ore mined and waste moved, and the disposition of the materials (onsite stockpiles, sold, waste pile, regraded, etc.):
Gross Ore Mined 136,104 tons, or _____ yd³
Waste Material Moved 15,000 tons, or _____ yd³
New Disturbance 2.5 Acres during 2008

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Report the gross amount of ore mined and waste material (onsite stockpiles, sold, waste pile, regraded, etc.):

Gross Ore Mined 136,104 Tons, or _____ yd³
Waste Material Moved 15,000 Tons, or _____ yd³
New Disturbance 2.3 Acres during 2008
Area Reclaimed on going Acres during 2008
Total Disturbed Area 28.71 Acres*

*Total mine disturbance from the beginning of mining operations through the end of 2008.

Was the ore shipped off site? If not, where is the ore located? yes

Where is the waste located? on site

6. Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. (Submit form MR-SITE for an application for full or partial bond/site release).

No. Sheep trail Pit 90% complete, The other pits
Reclamation is on going

7. Include an updated map depicting surface disturbance and reclamation performed during the year, prepared in accordance with Rule R647-4-105.

I hereby certify, under penalties of law, the information provided in this report is true and correct to the best of my knowledge and belief.

Name (Typed or Print): Corey Thurston

Title of Operator: Mine Manager

Signature of Operator: Corey Thurston

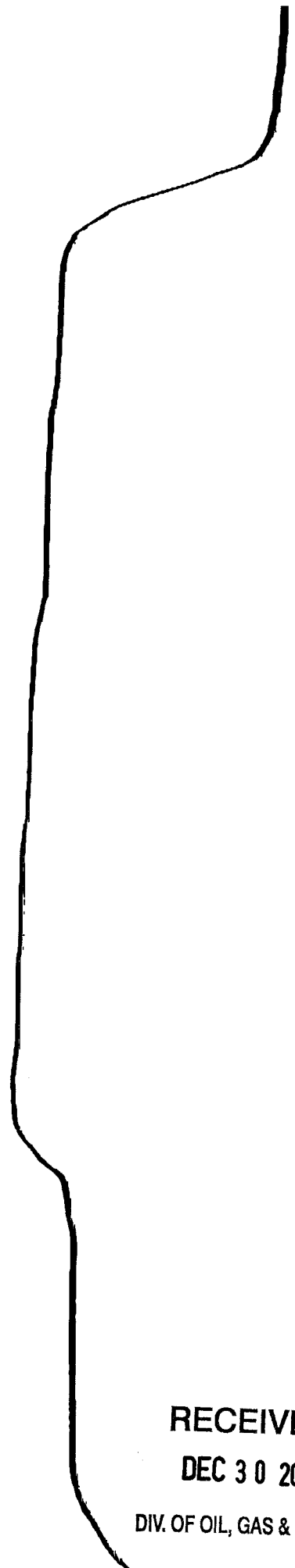
Date: 12-30-08

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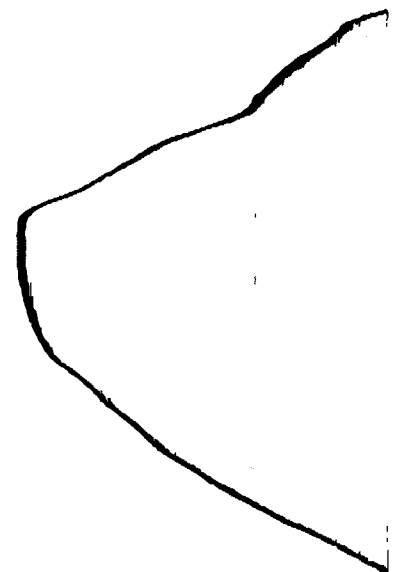
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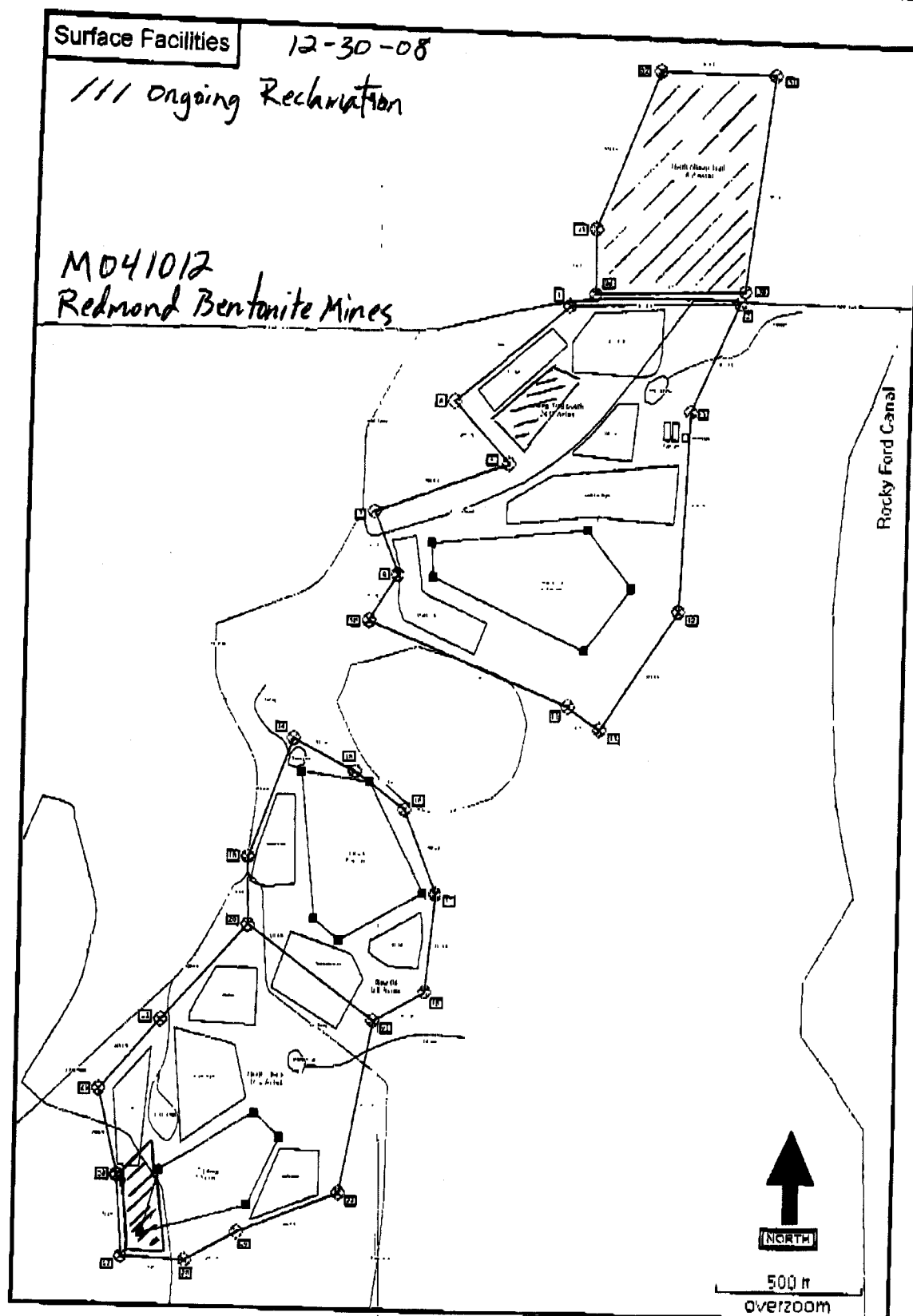
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